

House Commerce Committee  
March 20, 2013  
Testimony by John Van Fossen, Clark Hill, PLC  
(On behalf of the Grand Rapids-Kent County Convention Arena Authority)

**SB 123 (Hildenbrand)**

Mr. Chairman, Representative Switalski, Committee Members, thank you for your willingness to take up SB 123 introduced by Senator David Hildenbrand. My name is John Van Fossen with Clark Hill PLC and I am here on behalf of the Grand Rapids-Kent County Convention Arena Authority as a member of the organizations Operations Committee.

The Grand Rapids-Kent County Convention Arena Authority (CAA) was created in March 2000 by the City of Grand Rapids and Kent County under the Convention Facility Authority Act – Public Act 203 of 1999. The CAA is made up of a seven member board that operates “*to encourage economic development within the West Michigan region, create jobs, and provide facilities for entertainment, enjoyment and/or benefit of the citizens in an economic manner by developing and operating convention, entertainment and sports facilities within Kent County.*” In particular, the CAA is responsible for overseeing DeVos Place, DeVos Performance Hall and Van Andel Arena.

| <b><u>Van Andel Arena</u></b>  | <b><u>DeVos Place</u></b>  | <b><u>DeVos Performance Hall</u></b>   |
|--|--|--|
| 1996 construction completed  | 2005 completed   | 2005 completed   |
| \$77 million / \$21 million private & DDA bonds  | \$215 million / \$33.2 m private; \$93.2 m Kent County; \$65 m State; \$10 DDA; \$3 m CAA / \$7.5 m federal grants | Included in DeVos Place \$   |
| 12,000 Seating Capacity  | 1 million square feet / hosts 18,000 guest capacity  | 2404 seating capacity  |
| Hosted 103 events in 2011  |  |  |
| Billboard Magazine ranked as highest grossing mid-size arena in NA & 6 <sup>th</sup> worldwide |  | Home to GR Ballet; GR Symphony; Opera GR and Broadway GR – only theater in MI w/ 4 performing arts groups in one venue |

**In Fiscal Year 2011 CAA venues**

- Hosted over 1.1 million attendees with nearly 540,000 coming from outside Kent County
  - 544,396 Van Andel Arena
  - 399,811 DeVos Place
  - 174,113 Performance Hall
- Tickets purchased from every state in the US w/ over 10% of purchased outside MI

- We believe the CAA has met the goals and intent of the original 1999 legislation – it has had a positive impact on the business climate in downtown Grand Rapids; has helped create a lively downtown atmosphere, contributed to the demand for downtown living, attracting a strong workforce. Now, after 13 years we are asking for some modifications in order to continue and position the future success of the CAA.

SB 123 – as original 1999 legislation – applies only to the Grand Rapids Kent County CAA. These changes have no impact on any other convention authority in the State. **This bill passed the State Senate on March 6, 2013 by a vote of 37-0.**

Since 2000 the CAA has successfully completed and managed the Van Andel Arena, DeVos Place and DeVos Performance Hall. Today, several other economic development based facility projects have begun to develop and more are being considered – including a downtown Urban Market, Regional Sports Complex and an outdoor amphitheater. The CAA has been working with all of the relevant stakeholders on these projects and they been approached to consider adding these facilities under their operational overview. Under current law it is unclear whether or not the CAA has the ability to manage additional facilities/uses beyond “arenas and convention centers” therefore we are proposing to change the definition of permitted uses in order to give the community and developers the option of partnering with the CAA.

**2 Members     Kent County Board of Commissioners**  
**Steve Heacock (Spectrum Health)**  
**Richard Winn (Amway Grand Hotel)**

- 2 Members     City of Grand Rapids
  - Mayor George Heartwell (City of Grand Rapids)
  - Birgit Klohs (Right Place Inc)
- 2 Members     Local Convention & Visitors Bureau (Experience Grand Rapids)
  - Lew Chamberlin (West MI Whitecaps)
  - Floyd Wilson (Metro Health)
- 1 Member     Governor of Michigan
  - Charlie Secchia

The draft bill removes the term limit provision for board members and believes that each appointing body should determine who and how long members should serve. An overwhelming majority of municipally based boards do not have legislatively imposed term limits. By eliminating this requirement the bill relies on each appointing body to decide whether or not their members who are there to represent their interests should or should not continue to serve on the CAA board.

- ***Other Clean Up Provisions – Updating after 14 successful years***

**Section 5 (d)** – the local visitors and convention bureau (CVB) must submit a list of names to the other 5 members of the CAA, who decide the final selection of their appointment(s). Revisions to this section clarify the process the CVB would use in order to have a current member reappointed or new member(s) considered.

**Section 8(c)** – Clarifies the CAA's ability to enter into certain types of contracts and retain services for the proper operation of its facilities

**Supporting SB 123**

- Kent County
- City of Grand Rapids
- Experience Grand Rapids (Local Visitors and Convention Bureau)
- Grand Action
- Grand Rapids Chamber of Commerce
- Right Place, Inc

What are the costs/revenue to the state?

*There is NO costs to the state to implement the proposed amendments*